

Chief Sponsor: Senator Lynda Moss
SB 240

- 1) **allows local governments to privatize street light bills** that now appear on the property tax. They may shift that responsibility from government to regulated utilities that provide street lighting service. (§ 1 ¶ 3; page 1, lines 25-30 & page 2, line 1)
- 2) **preserves local control** by enabling local governments to decide whether or not they wish to shift the billing function when a utility owns the street lights in a lighting maintenance and improvement district. (§ 1 ¶s 3 & 4; page 1, lines 25-30 & page 2, lines 1-4)
- 3) **reduces amounts billed on the property tax statement** by shifting the amount for street lighting to a utility bill. (§ 1 ¶ 3; page 1, lines 25-30 & page 2, line 1)
- 4) **encourages energy conservation** by allowing utility poles to be used for lights that are more efficient than the high pressure sodium lights ordered to be installed (at the request of Montana Power) by the Public Service Commission (PSC) in 1982. Presently, NorthWestern Energy (NWE) will not allow cities to install (on NWE poles) energy efficient street lighting that would reduce energy use by approximately 50%. This prevented Montana cities from using Energy Conservation Block Grant funding to install LED street lighting. Hundreds of US cities used ECBG funding for energy efficient street lighting. (§ 2; page 2, lines 26-30 & page 3, lines 1-20)
- 5) **saves governments money** by ceding the street light billing function to private sector utilities when they own the street lights, and by paving the way for Montana cities to save about \$2.1 million a year by installing (on utility owned poles) street lights that last 3 to 5 times longer than current lights last, and which use approximately half the energy. That is being accomplished in Los Angeles, which will install 140,000 LED street lights by 2015.
- 6) **creates jobs** for Montana electricians needed to install efficient lights;
- 7) **affords consumers the right to know what they are paying for.** Under quality regulation, once utility infrastructure is paid for, it should drop out of the rate base. In the case of street lighting that has not happened in Montana. Consumers here have not realized that the utility ownership charges have paid for 85% of the lights in Billings for periods up to 16 years. Those overcharges do not show up on the property tax statement. This legislation requires that regulated utilities reveal directly to the customer when the street lighting infrastructure is paid for so that component may drop out of the rate in those lighting districts. (§ 1 ¶ 5; page 2, lines 5-22)
- 8) **allows taxpayers in street lighting districts to seek efficiency** measures that will reduce their street lighting bills by up to 88%. (§ 3, ¶ 2; page 3, lines 5-18)
- 9) **leaves control of utility regulatory functions with the PSC.** (§ 3 ¶ d; page 4, lines 6-9)
- 10) **allows utilities to recover the sunk costs** of infrastructure still in service when energy efficient street lights are installed. (§ 2(1)(b))